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M/017/0049
Wayne
Energy Fuels Resources (USA) Inc.
225 Union Blvd. Suite 600
Lakewood, CO, US, 80228
303-974-2140
www.energyfuels.com

May 23, 2014

DIV. OF OIL, GAS & MINING

Paul Baker
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

John Reay
Bureau of Land Management, Henry
Mountains Field Office
380 South 100 West
Hanksville, Utah 84734

RE: Operational Status of Energy Fuels' Tony M Mine (M/017/0049, UTU-80023)

In response to an e-mail from Mike Bradley to Frank Filas dated January 30, 2014, Energy Fuels Resources (USA) Inc. (Energy Fuels) prepared the following information. We communicated with Mike at length in recent months to better understand Utah Division of Oil, Gas & Mining (UDOGM)'s interpretation of R647-4-117, R647-3-113 and other rules pertaining to temporary suspension. The information provided here was prepared to summarize recent mining operations at our project site and provide quick access to our contact information and the Interim Management Plan in place at our mine. Also, in response to a separate communication from Mike Bradley on March 14, 2014, we proposed to spread a temporary seed mix over portions of the sites that are not in immediate use.

This letter supersedes the DRAFT Notice of Temporary Suspension sent to UDOGM on April 1, 2014.

1.0 Summary of Recent Mining Operations

The mine was originally developed in the late 1970s and operated until 1984. Most of the mine was reclaimed between 1995 and 2003 then re-permitted in 2006 and 2007. Operations restarted in late 2007 but were shut down about a year later due to decreasing uranium prices. Dewatering and mine ventilation continued at the Tony M mine until November 2012. The vents were closed and electrical lines within the mine were removed in February 2013.

2.0 Condition of Affected Land

During periods of temporary suspension of operations, the mine is regularly inspected and maintained in accordance with Interim Management Plan filed with the BLM and/or typical good housekeeping practices. In accordance with R647-4-113 and R647-4-117, UDOGM requested additional information on Energy Fuels' site management procedures. In response to that request, the Interim Management Plan for the mine is attached to this letter.

3.0 Proposed Temporary Seeding

In response to a request from UDOGM on March 14, 2014, Energy Fuels will seed exposed areas of the mine during this period of temporary suspension. One attempt will be made to seed in disturbed areas focusing on the top, flat areas of the waste rock piles and large, unused portions of the laydown yards. Areas around buildings will not be seeded so that the site does not appear abandoned thus making it more prone to vandalism. Seeding will be completed in the late fall or early winter and will not be preceded by topsoil spreading. Seeding methods, including seedbed preparation, will be determined by the terrain and available equipment. The purpose of this seeding effort is to encourage a temporary vegetative stand to help control weeds and reduce sediment production. This voluntary seeding effort is not expected to produce the 70% cover required for bond release due to the lack of topsoil spreading. The temporary seed mix to be used for this effort is a combination of Indian ricegrass, western wheatgrass and Needle and thread grass. These species are a subset of the seed mix that was approved for reclamation at most of these mines.

4.0 Contact Information

If you need to reach Energy Fuels during this period of limited operations, the following contact information should be used:

Race Fisher
Mine Superintendent
Office phone: (970) 677-2702
Cell phone: (970) 739-5742
RFisher@energyfuels.com
9244 W. Hwy 141
Egnar, CO 81325

David Turk
Manager Environmental Health and Safety
Office phone: (435) 678-2221 x113
Cell phone: (435) 459-9786
DTurk@energyfuels.com
6425 S. Highway 191
Blanding, UT 84511

Andrea Reither
Environmental Permitting Specialist
Office phone: (303) 389-4133
Cell phone: (303) 601-7457
AREither@energyfuels.com
225 Union Blvd., Suite 600
Lakewood, CO 80228



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Unfortunately, it is not possible to predict precisely when the uranium commodity price will reach a level where it is profitable to reopen our mines. If a mine continues for 5 years without mining operations, Energy Fuels will notify the division pursuant to R647-4-117 and R647-3-113.

Please contact me at 303-389-4133 or areither@energyfuels.com if you have any questions or need additional information.

Sincerely,

A handwritten signature in blue ink that reads 'Andrea Reither'.

Andrea Reither
Environmental Permitting Specialist

cc: Wayne Western (UDOGM)
Jerry Mansfield (SITLA)
F. Filas, J. Massey, R. Fisher, D. Turk (Energy Fuels)

Attachment: Tony M Interim Management Plan



Energy Fuels Resources (USA) Inc.
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October 17, 2013

Sent VIA OVERNIGHT DELIVERY

Mr. John Reay
Geologist
United States Bureau of Land Management
Henry Mountains Field Station
380 South 100 West
Hanksville, UT 84734

Re: Interim Management Plan for Energy Fuels Resources (USA) Inc.'s Tony M Mine

Mr. Reay,

Below is Energy Fuels Resources (USA) Inc.'s ("EFRI's") Interim Management Plan (the "Plan") for the Tony M Mine (the "Mine") located on the south flank of the Henry Mountains in Garfield County, Utah. Due to the current market price of uranium, EFRI has suspended operations at the Mine until market conditions become more favorable. In the meantime, the Mine facilities will be maintained in a safe and environmentally acceptable condition in accordance with 43 CFR Part 3809.401 and this Plan.

1.0 INTERIM MANAGEMENT PLAN

This section conforms 43 CFR Part 3809.401, Section (b)5.

All mineral commodity markets tend to be cyclical, that is, prices rise and fall substantially over periods of years. In the uranium market for example, high prices in the late 1970s gave way to very low prices in the early 1990s, with spot prices falling below the cost of production for most mines. In 1996 spot prices recovered to the point that many mines could produce profitably, though prices soon declined again and only started to recover strongly late in 2003. In the past, these market fluctuations have led to temporary cessation and the re-opening of uranium mines in the U.S. In some instances uranium mines were reclaimed prior to the exhaustion of recoverable resources. Reopening previously reclaimed mines does not protect United States Bureau of Land Management ("BLM") lands from undue degradation. The reopening of these mines during improved market conditions destroys past reclamation work and can create greater and more constant degradation to BLM lands.

Interim management of the mines will better protect BLM lands from undue degradation during periods of non-operation. In the event that market conditions or other circumstances require a temporary cessation of mine operations, EFRI will provide notice to the BLM in accordance with the requirements of Part 3802.4.7, Title 43 of the CFR. During non-operating periods, EFRI will maintain the buildings, drainage structures, the evaporation pond, roads, and other surface facilities in a safe and environmentally acceptable condition. Underground openings, gates, and buildings will be locked to discourage unauthorized access when EFRI Mine personnel are not present.

In the event of temporary cessation of operations, in order to prevent unnecessary or undue degradation, the following Plan will be followed by EFRI.

1.1 MEASURES TO STABILIZE EXCAVATION AND WORKINGS

The following measures will be used to stabilize the Mine excavations and workings.

The underground workings will be stabilized in accordance with Mine Safety and Health Administration ("MSHA") regulations. Roof bolts, mats, wire mesh, cribbing and other types of support will be installed, as needed, to stabilize the back and ribs. Equipment will be removed from immediate working faces and from lower areas of the Mine where water may collect. Mine portals and adits will be gated and locked during periods of non-operation. Vent holes will have metal diffusers and metal grates to prevent access to them. These diffusers and grates will remain in place during periods of non-operation. The Mine is an underground mine; therefore, no trenches or pits are excavated during mining operations, and stabilization is not required.

Exploration drill holes are typically closed following exploration drilling and it is unlikely that drill holes would remain open for longer than 30 days. In the event that exploration drilling holes are open during a period of non-operation, the holes will be abandoned in accordance with Rule 647-4-108 of the Utah Administrative Code (the "UAC") and BLM best management practices.

The surface area will be maintained in accordance with the Mine's Stormwater Pollution Prevention Plan ("SWPPP"). Areas exhibiting erosion will be repaired and runoff will be monitored periodically in accordance with the approved Plan of Operations and SWPPP. Ditches, culverts and other surface drainage features will be inspected monthly and cleaned out as needed. EFRI Field Personnel will inspect the fencing around the exterior of the Mine, the evaporation pond, the leach field, the fuel storage area, and the generator area on a monthly basis during temporary cessation. These inspections will assure that all fencing is functioning properly and that there has not been any vandalism at the Mine. All signage related to public health and safety will remain in place.

1.2 MEASURES TO ISOLATE OR CONTROL TOXIC OR DELETERIOUS MATERIALS

Potentially toxic materials on site during routine operations are diesel fuel, gasoline, oil products (i.e., motor oil, hydraulic oil, gear oil, and used oil), starting fluid, and antifreeze. These materials will be stored and used on site in accordance with the provisions of the Mine's Spill Prevention, Control, and Countermeasures Plan (the "SPCC Plan"). In the event of temporary cessation of mining activities, any unnecessary fuel and deleterious materials will be removed from the site and disposed of in accordance with state and federal regulations. Any fuel tanks that have been emptied will remain on site within their secondary containment and will be marked as empty.

Not all fuel will be removed from the Mine, because EFRI Field Personnel will need gasoline and/or diesel fuel to run the generator to power the office during inspections or during periodic maintenance activities. EFRI Field Personnel will conduct monthly inspections in accordance with the Mine's SPCC Plan to assure all fuel is being properly stored and that no spills have occurred. In addition, the amount of fuel used, as well as the generator hours, will be recorded. A copy of these records will be maintained on site and will be made available upon request.

1.3 PROVISIONS FOR THE STORAGE OR REMOVAL OF EQUIPMENT, SUPPLIES, AND STRUCTURES

Equipment and supplies at the Mine will be removed from site, or will be placed into locked storage boxes and within the locked and gated Mine workings. No equipment or supplies will remain outside of Mine buildings or outside of the workings. The locks and buildings will be monitored on a monthly basis to ensure that vandalism has not occurred.

1.4 MEASURES TO MAINTAIN THE PROJECT AREA IN A SAFE AND CLEAN CONDITION

All areas of the site will be kept clean and free of litter and debris. Trash, used tires, old equipment parts, empty barrels, and other miscellaneous materials will be removed from the site and either recycled or disposed of properly. Site safety will be maintained by discouraging unauthorized access through the use of locked gates, fences, warning signs, and security personnel, if necessary. Signage for speed limits and access limitations will remain in place and will be monitored on a monthly basis to assure that no vandalism has occurred.

During periods of temporary cessation, all equipment and materials will either be removed from site, or placed and locked inside buildings and monitored on a monthly basis. All ore will be removed from the surface and transported to the White Mesa Mill in Blanding, Utah. Surface areas, including but not limited to, the waste rock stockpiles, structural stormwater controls, and earthen berms will be repaired prior to cessation and maintained, as needed, during the cessation period. The Mine offices will also be locked and monitored and maintained on a monthly basis.

1.5 PLANS FOR MONITORING SITE CONDITIONS DURING PERIODS OF NON-OPERATION

As detailed above, this Plan meets the requirements of 43 CFR 3809.401(b)(5)(v) to establish a plan for monitoring the Mine during periods of non-operation.

During periods of non-operation, EFRI will assure that Mine facilities are maintained in a safe and environmentally acceptable condition. The Mine facilities area, buildings, portals, adits, vent holes, roads, sediment controls, evaporation pond and surrounding fencing will be monitored on a monthly basis. Maintenance of facilities, stabilization structures, and controls will occur at the Mine following monitoring activities. In addition, all permits will be maintained during cessation and permit conditions will be adhered to. No groundwater or surface water monitoring will occur at the Mine during temporary cessation.

As part of temporary cessation procedures, EFRI will remove all equipment from underground and discontinue dewatering of the mine workings and pumping of mine water to the evaporation pond. EFRI will measure the water level in the evaporation pond on a monthly basis, at a minimum. These records will be maintained on site and will be made available upon request.

However, EFRI anticipates that the evaporation pond will contain some water level even during temporary cessation of mining. EFRI does not anticipate that the pond will evaporate to dryness, because the surrounding areas drain in to the evaporation pond during rain storms and winter snow runoff. In the unlikely event that the evaporation pond does evaporate to dryness, EFRI believes a salt crust will form over the sediment layer which will inhibit conditions in which sediments could undergo wind-borne dispersal; hence, no additional measures to maintain water content in the pond are required. EFRI will not sample evaporation pond sediments because doing so could breach the integrity of the pond liner. The liner integrity will be maintained through the duration of the Mine's life. EFRI will sample pond sediments only after permanent completion of mining operations.

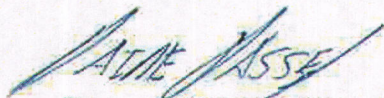
1.6 SCHEDULE OF TEMPORARY CLOSURE

Due to market conditions, EFRI suspended operations at the Mine in November 2012. EFRI notified the BLM on November 28, 2012 in accordance with the requirements of 43 CFR 3802.4.7. Mining is expected to recommence when market conditions are more favorable. During this non-operating period,

EFRI will maintain the buildings, drainage structures, evaporation pond, roads, and other surface facilities in a safe and environmentally acceptable condition in accordance with this Plan.

If you should have any questions regarding this Plan or current operations at the Mine, please contact me at 303-389-4167.

Yours very truly,

A handwritten signature in blue ink, appearing to read "JAIME MASSEY", is written over a horizontal line.

ENERGY FUELS RESOURCES (USA) INC.

Jaime Massey

Regulatory Compliance Specialist

cc: Harold R. Roberts
Alex Morgan
Kathy Weinel
David Turk
Frank Filas
Race Fisher